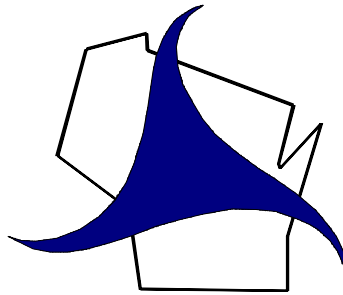


Wisconsin Department of Transportation



2001-03 Biennial Budget Summary 2001 Wisconsin Act 16

WisDOT Office of Policy and Budget

Wisconsin Department of Transportation

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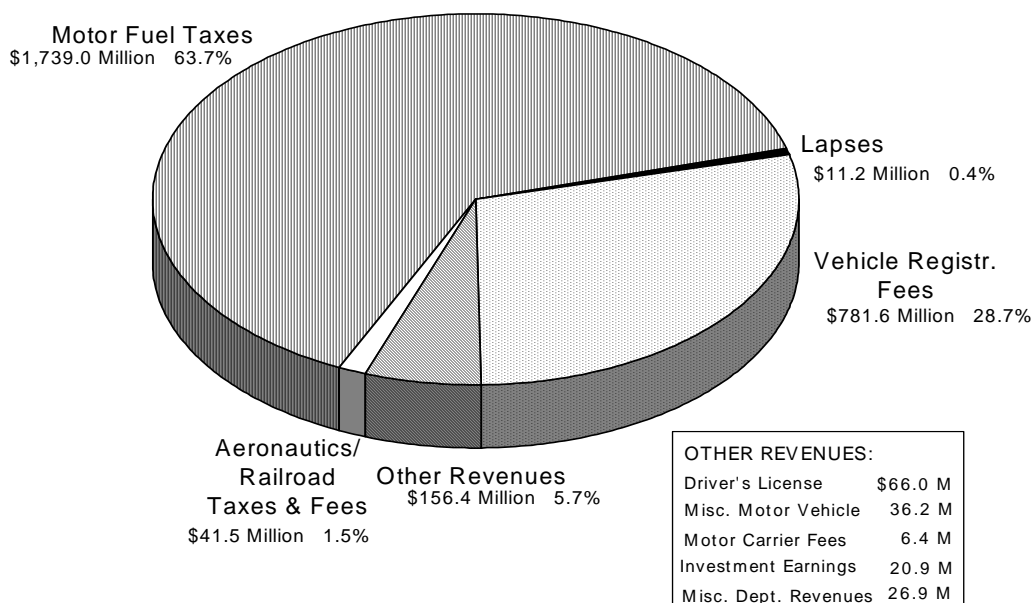
This document summarizes the Department of Transportation's 2001-03 biennial budget as finalized by legislative action and the Governor's vetoes in 2001 Wisconsin Act 16. The summary does not include every item in the Department's budget. Instead it focuses on major items originally requested by the Department and any new gubernatorial or legislative initiatives adopted.

The first sections cover the modal programs – the general transportation aids program, transit assistance, and the highway construction and maintenance programs – as modified by the federal fiscal year 2001 plan approved by the Joint Committee on Finance in December. The remaining sections include state operations and the service divisions -- the Division of Motor Vehicles, the Division of State Patrol, the Division of Business Management and the Executive Offices. In addition, there are a number of items that have a department-wide effect.

The Department's budget as approved in Act 16 does not include any increases in motor fuel taxes with only minor adjustments in registration fees. The budget expends only those revenues produced through anticipated inflationary growth.

Due to expected growth in Transportation Fund revenues, total state revenues are estimated at slightly over \$2.73 billion for the 2001-03 biennium, as illustrated in the following chart.

2001-03 STATE TRANSPORTATION REVENUES
\$2.73 BILLION
FINAL



Expenditures: State Highway Programs

Major Highway Program

2001 Wis. Act 16: Majors Program Funding		
'01 Base	\$220,155,000	
'02 Budgeted	\$231,927,400	5.3%
'03 Budgeted	\$241,616,600	4.2%

The Major Highway Program provides for the development or reconstruction of a highway within an existing transportation corridor. It provides long-term solutions to the most serious

safety, design and capacity deficiencies on heavily traveled segments of the state trunk highway system.

A major highway project is statutorily defined as a project that involves reconstructing or reconditioning a new highway when total project costs exceed \$5 million and other criteria are met. The Major Highway Program has three sources of funding: State, Federal and Transportation Revenue Bonds. The Department's policy has been to utilize bonding for 54.5% of project costs.

Major highway projects are recommended to the Legislature for enumeration after they are evaluated and ranked by the Transportation Projects Commission (TPC), a 14-member body that includes elected officials and private citizens. The TPC can recommend projects only if construction on them can begin within six years.

The 2001-03 biennial budget for the Major Highway Program includes:

Funding for Major Program Inflation

Act 16 provided increases of \$11,772,400 (\$4,644,500 SEG and \$7,127,900 SEG-S) in FY02 and \$21,461,600 (\$11,229,700 SEG and \$10,231,900 SEG-S) in FY03 to provide 5.3% and 4.2% annual increases in FY02 and FY03, respectively, for the Major Highway Program.

2001 Wis. Act 16: Majors Program Increase	
FY02	FY03
\$ 4,644,500 SEG	\$ 11,229,700 SEG
\$ 7,127,900 BOND	\$ 10,231,900 BOND

Bonding Level

The biennial budget authorizes bonding to cover 54.8% in FY02 and 53.9% in FY03 of project costs.

Enumerated Major Highway Projects

Deleted 47 subsections listing specific enumerated projects. The deletions are required because the intent of the original enumeration has been met or combined into an inclusive corridor enumeration for each of these 47 enumerated projects.

FY02	FY03
\$-0-	\$-0-

Enumeration of Additional Major Highway Projects

The following new major highway projects were enumerated:

- STH 17 Rhinelander relocation in Oneida County for 3.25 miles,
- STH 26 Janesville to Watertown in Rock, Jefferson and Dodge Counties for 48 miles, and
- I39/USH 51 (designated as the Wausau Beltline) in Marathon County.

Bonding Statutory Language

An increase of \$305,982,000 in the authorized level of revenue bonds established under s.84.59 (from \$1,447,085,500 to \$1,753,067,500) to reflect upcoming bonding needs consistent with the level of funding for major projects included in this budget request.

FY02	FY03
\$-0-	\$-0-

State Highway Rehabilitation (SHR)

The State Highway Rehabilitation (SHR) Program upgrades deteriorated pavement, roadway base and modernizes State Trunk Highways to meet current and projected travel needs. The program consists of three subprograms: 1) Existing Highways (3-R:

2001 Wis. Act 16: SHR Program Funding		
'01 Base	\$567,948,900	
'02 Budgeted	\$585,020,100	3.0%
'03 Budgeted	\$606,874,700	3.7%

Resurfacing, Reconditioning and Reconstruction); 2) State Bridges; and 3) Backbone Rehabilitation. The State Trunk Highway System consists of 11,800 miles of roads and 4,641 bridges. Although this represents only 11% of the total of 111,500 miles of public roads and streets in Wisconsin, the State Trunk Highway System carries 60% of all traffic.

The program is intended to protect the State's investment in its highway and bridge systems by addressing structural and design deficiencies at the most optimum point to assure a cost-effective use of transportation funds and the longest life of the facility. Repair costs and accident rates increase substantially toward the end of a facility's design life. A carefully planned rehabilitation program maximizes the use of a highway or bridge and addresses deficiencies before conditions necessitate much more costly solutions. Rehabilitation improves highways and bridges to appropriate modern standards, ensuring their design accommodates current and projected traffic patterns of the life span of the facility.

The State Highway Rehabilitation process is embodied in the State's Six-Year Highway Improvement Program, which is re-examined and updated every two years to reflect funding and priorities established in the State biennial budget. Inflationary adjustments in this and future biennia are necessary to keep the SHR Program whole so that purchasing power is not eroded and projects can be completed as scheduled in the Six-Year Highway Improvement Program. If purchasing power is not maintained, highway users will not only have to travel over a larger number of rough roads, they will also have to wait longer for the safety benefits that improved highways can provide.

The 2001-03 biennial budget for the State Highway Rehabilitation Program includes:

Funding for State Highway Rehabilitation

The Department received increases of \$17,071,200 (-20,631,200 SEG and \$35,152,400 SEG-F and \$2,550,000 SEG-L) in FY02 and \$38,925,800 (\$23,420,100 SEG and \$15,505,700 SEG-F) in FY03. These amounts include:

2001 Wis. Act 16: SHR Program Decrease/Increase	
FY02	FY03
\$(20,631,200) SEG	\$23,420,100 SEG
\$ 35,152,400 SEG-F	\$15,505,700 SEG-F
\$ 2,550,000 SEG-L	\$ 0 SEG-L

- Deleting \$5,700,900 SEG in FY02 and \$7,010,900 SEG in FY03 and replacing this with corresponding amounts of FED.
- Inflation increases of 3.3% in FY02 and 6.9% in FY03.
- Funding of \$25 million for the reconfiguration of the Park East Freeway.
- Transfer of \$27,000,000 SEG in FY02 into the maintenance and operations appropriation to account for new maintenance definitions.

Park East Freeway Funding

The budget allocated funding under the rehabilitation program for the removal of the Park East Freeway at North 4th Street in the City of Milwaukee in the State Highway Rehabilitation Program. The razing of the Park East would open up 35 acres for economic development in the Milwaukee downtown.

2001 Wis. Act 16: Park East Increase	
FY02	FY03
\$ 1,200,000 SEG	\$ -0- SEG
\$21,250,000 SEG-F	\$ -0- SEG-F
\$ 2,550,000 SEG-L	\$ -0- SEG-L

The Park East Freeway, primarily on bridge platforms, connects Interstate 43 to the northern edge of downtown Milwaukee. This segment of freeway was intended to serve as part of a freeway loop around the center of the central business district, eventually rejoining the interstate highway system at Interstate 794 and the Lake Parkway. For a variety of reasons, the spur was never completed.

The City and County of Milwaukee have advocated that the Park East Freeway be demolished as the first step toward the economic development and revitalization of the downtown. The redesign of the roadway will create many development opportunities by providing easier access to land in the northwest section of downtown Milwaukee. The city is considering commercial development for the area including a Harley Davidson Experience Center Museum.

The City of Milwaukee, Milwaukee County, and the State agreed to pursue the termination of the Park East Freeway in a signed agreement relating to the allocation of \$241 million in

interstate substitution project funds (ICE). Former Governor Thompson, Mayor Norquist, and County Executive Ament signed the agreement on April 20, 1999. The estimated cost of the takedown of the Park East Freeway is \$25 million. The State will contribute no more than \$8 million (\$6.8M ICE and \$1.2M SEG) to the project, including any bridge costs. The balance of the project costs will be the responsibility of the City of Milwaukee. The City and County of Milwaukee are responsible for taking the lead on the project in the areas of public involvement and media relations. The Department of Transportation will transfer jurisdiction of the Park East Freeway (Highway 145, from I-43 easterly to its termini at North Jefferson Street), to the City of Milwaukee.

West Capitol Drive Improvements

The budget allocates \$250,000 under the STH Rehabilitation Program for the Capitol Court project in the City of Milwaukee.

Funding Preliminary Work for the Marquette Interchange: S.E. Rehabilitation

The Department received \$52,325,400 (\$9,715,200 SEG, \$29,860,200 SEG-F, and \$12,750,000 ICE) in FY02 and \$108,318,500 (\$17,993,200 SEG, \$27,925,300 SEG-F, and \$62,400,000 ICE) in FY03 to begin preliminary work on the Marquette Interchange. The Marquette Interchange is the most critical freeway need in southeastern Wisconsin. Several different

2001 Wis. Act: S.E. Rehabilitation Program Funding	
FY02	FY03
\$ 9,715,200 SEG	\$ 17,993,200 SEG
\$29,860,200 SEG-F	\$27,925,300 SEG-F
\$12,750,000 ICE	\$62,400,000 ICE

freeways meet at the interchange, making it one of the most heavily used interchanges in Wisconsin. The interchange has seen substantial increases in traffic since its opening in 1968, with traffic volumes more than doubling over the last 30 years. Today nearly 300,000 cars and trucks use the interchange each day for access to downtown Milwaukee, the outlying metro region, and points beyond. It is estimated that the Marquette Interchange helps link one-third of the State's freeway traffic to the rest of the country.

Unless significant improvements are ultimately made to the interchange, it is likely that some of the bridges that make up the facility will have posted weight limits or may need to be closed altogether. Such actions would result in traffic, including heavy trucks, being diverted to other roadways including local streets. There would also be secondary impacts including more congestion, noise, and pollution on the alternate roadways, besides the increased travel times users would face. In addition, these alternate routes would face increased safety problems as well as higher maintenance and repair costs because of the increased traffic.

The bulk of the funding for this preliminary work will be provided from federal Interstate Cost Estimate Substitute Project (ICE) funds. Based on an April 1999 agreement between the Governor, the City of Milwaukee, and Milwaukee County, a total of \$75.15 million in ICE dollars will be allocated to the rebuilding of the Marquette Interchange. Beginning in state fiscal year 2004, \$45.9 million in base funding is provided for the reconstruction of the Marquette Interchange.

New S.E. Freeway Appropriations

Act 16 creates new appropriations to fund the rehabilitation of the southeast Wisconsin freeway system including the Marquette Interchange. The Department may use funds that would otherwise be used for other southeast Wisconsin freeway reconstruction projects on the Marquette Interchange in order to meet deadlines as long as reductions are made in subsequent allocations for the Marquette Interchange. The law also allows the Department to fund interim repairs to the Marquette Interchange from appropriations established for the southeast Wisconsin freeway system.

West Canal Street Extension

Act 16 provides funding for the reconstruction and extension of West Canal Street from USH 41 to 2nd St. in the City of Milwaukee's

Menominee Valley. The Act requires the Department to make a grant of \$5,000,000 from the amounts provided for the Marquette Interchange for the West Canal Street project. In addition, \$2,500,000 will be allocated from Indian gaming revenues and \$2,500,000 from the Local Road Improvement Program. In order to receive the grant, the City of Milwaukee must contribute an equal \$10,000,000 for the project. Upgrading this street will help address traffic mitigation needs during the reconstruction of the Marquette Interchange and serve as a catalyst for redevelopment of the area.

2001 Wis. Act 16: West Canal St. Funding	
FY02	FY03
\$ 7,500,000 SEG	\$ 0 SEG
\$ 1,000,000 PR	\$ 1,500,000 PR

State Highway Maintenance & Traffic Operations

2001 Wis. Act 16: Maintenance & Traffic Operations Program Funding		
'01 Base:	\$157,511,800	
'02 Budgeted	\$191,104,900	21.3%
'03 Budgeted	\$163,157,000	-14.6%

State highway maintenance and traffic operations services encompass numerous activities that are important to the safety and convenience of the traveling public. These services include

snowplowing, distributing salt and other deicers on roads and bridges, inspecting bridges, ensuring that rest areas and waysides are clean and well maintained, replacing signs and reflectors, installing traffic signals, repainting highway center lines and edge lines, and paying the electrical bills for freeway lighting. Wisconsin's state trunk highway system is maintained under contract primarily by its 72 counties.

The 2001-03 biennial budget for the State Highway Maintenance & Traffic Operations Program includes:

State Trunk Highway Maintenance/Operations Funding

The Department received increases of \$34,211,500 SEG in FY02 and \$6,252,600 SEG in FY03 for state trunk highway maintenance and traffic operations. These increases include inflation increases of 2.7% in FY02

2001 Wis. Act 16: Maintenance and Operations Funding Increase	
FY02	FY03
\$ 34,211,500 SEG	\$6,252,600 SEG

and 1.8% in FY03 and one-time additions in FY02 of \$3.5 million to purchase salt reserves and \$27 million to incorporate new maintenance definitional changes.

Intelligent Transportation Systems

The budget provides a new initiative by defining intelligent transportation systems and allowing the Department to fund the installation, maintenance, and replacement of these systems. It defines ITS as a specialized computer system or other electronic, information processing, communication or technical system, including roadway detector loops, closed circuit TV, permanent variable message signs or ramp meters that are used to improve the efficiency or safety of a surface transportation system.

Funding Adjustment for New ITS Definitional Changes to Highway Improvements

- Specify that the installation, replacement, rehabilitation, or maintenance of signs, traffic control signals, highway lighting, pavement markings, and intelligent transportation systems are now maintenance activities unless incidental to the improvement of existing state trunk and connecting highways.
- To incorporate these new activities, there is a provision to provide a one-time supplement of \$27 million transferred from the rehabilitation appropriation and to allow the DOT to request up to a \$10 million transfer in FY03.
- The budget also now specifies that the DOT may contract with a private entity in addition to county or municipal governments to perform maintenance activities.

Damage Claims

The budget creates an appropriation for damage claims to account for the receipts and disbursements related to repair of damages to signs and structures.

2001 Wis. Act 16: Damage Claims	
FY02	FY03
\$ 1,850,0000 PR	\$ 1,850,000 PR

Bridge Designations

Designate a portion of STH 27 as the “Donald K. Deke Slayton Memorial Highway.”

Traffic Signals

Install traffic signals at STH 16 and Brickl Road in the Village of West Salem and STH 48 and STH 70 in the Village of Grantsburg in Burnett County.

Expenditures: Local Aids & Transportation Assistance Programs

Local Road and Bridge Improvement Programs

The Local Road and Bridge Program represents the largest share of transportation capital assistance programs. The two components of the Local Road and Bridge Program are defined in the budget as: (1)

Highway and Local Bridge Improvement Assistance and (2) Local Transportation Facility Improvement Assistance.

2001 Wis. Act 16: Local Roads & Bridge Funding		
'01 Base:	\$154,960,800	
'02 Budgeted	\$156,607,900	1.1%
'03 Budgeted	\$157,567,100	.6%

Local Bridge Funding

The biennial budget provided no additional increases in funding. Base funding includes \$8,476,500 SEG, \$8,780,400 SEG-L, and \$26,288,200 SEG-F for both FY02 and FY03.

Local Roads Improvement Program (LRIP) Funding

The Local Road Improvement Program (LRIP) addresses long-lasting infrastructure improvements to local roads and streets. Funding is divided between set-asides for high cost county and town road projects and statutory formula distributions to counties, towns, and municipalities.

2001 Wis. Act 16: LRIP, State Funds		
'01 Base:	\$ 21,331,200	
'02 Budgeted	\$ 22,986,100	7.7%
'03 Budgeted	\$ 23,945,300	4.2%

LRIP Funding

The budget allocated increases of \$1,654,900 SEG and SEG-L in FY02 and \$2,614,100 SEG and SEG-L in FY03. These totals include increases of \$750,000 annually to fund the discretionary allocation and \$904,900 in FY02 and \$1,864,100 in FY03 to provide 6% annual increases for basic allocation.

2001 Wis. Act 16: LRIP Increase	
FY02	FY03
\$ 1,654,900 SEG	\$2,614,100 SEG
\$ 1,654,900 SEG-L	\$2,614,100 SEG-L

General Transportation Aids

General Transportation Aids (GTA) pay a portion of local governments' costs for such activities as road and street reconstruction, filling potholes, snow removal, grading shoulders, marking pavement, and repair of curbs and gutters.

2001 Wis. Act 16: GTA Funding		
'01 Base:	\$348,521,000	
'02 Budgeted	\$353,748,800	1.5%
'03 Budgeted	\$366,156,200	3.5%

Transportation Aids Funding

The Department received increased funding of \$5,227,800 SEG in FY02 and \$17,635,200 SEG in FY03 to provide calendar year inflationary increases of 3.0% and 4.0%, respectively. These increases will provide a total of \$86,581,300 in CY02 and \$90,044,600 in CY03 for aids to counties and \$272,395,300 in CY02 and \$283,291,100 in CY03 for aids to municipalities. The rate-per-mile for mileage based aids payments would increase from \$1,704 per mile to \$1,755 in CY02 and \$1,825 in CY03.

2001 Wis. Act 16: GTA Increases	
FY02	FY03
\$ 5,227,800 SEG	\$17,635,200 SEG

Elderly & Disabled Transit

2001 Wis. Act 16: Elderly and Disabled Funding		
'01 Base:	\$ 10,469,000	
'02 Budgeted	\$ 10,694,800	2.2%
'03 Budgeted	\$ 10,952,500	2.4%

The Department administers two programs to help elderly and disabled (E & D) residents meet their mobility needs: an aids program that provides assistance to

counties based on their eligible population, and a capital grant program that assists non-profit organizations and local governments in purchasing vehicles.

E & D County Aids Funding

The Department received increases of \$225,800 SEG in FY02 and \$483,500 SEG in FY03 to provide annual inflationary increases of 2.7% and 3.0%, respectively, based on combined program amounts.

2001 Wis. Act 16: E & D Increase	
FY02	FY03
\$ 225,800 SEG	\$ 483,500 SEG

While the county aids program does not receive any federal funding, the capital grant program does receive federal funding. Federal funding increases in the capital assistance program are projected to be 8% per year over the biennium. Therefore, the budget allocates the full amount of the increase in State funds for the county aids program. Effectively, this provides increases of 3.0% in FY02 and 3.4% in FY03 for the county aids program.

Grant to the Village of Twin Lakes and the Town of Randall in Kenosha County

The budget allocates \$30,000 to award a grant for the acquisition of a bus to provide services to the elderly.

Urban Mass Transit Operating Assistance

2001 Wis. Act 16: Urban Mass Transit Funding		
'01 Base:	\$ 93,006,500	
'02 Budgeted	\$ 93,936,700	1.0%
'03 Budgeted	\$ 97,210,500	3.5%

State transit aid is the largest source of funding for the operating costs of Wisconsin's public transit systems. Any local government may apply for aid for a service area containing a city or village

with a population of a least 2,500. State aid recipients include approximately 25 local bus systems and 40 shared-ride taxi systems.

Funding Urban Mass Transit Assistance

State transit aid is currently provided in four separate appropriations (Tiers A-1, A-2, B, and C). The Department received net increases of \$930,200 SEG in FY02 and \$4,204,000 SEG in FY03 to provide inflationary increases of 4.0% CY02 and 2.0% CY03.

2001 Wis. Act 16: Urban Mass Transit Increase	
FY02	FY03
\$930,200 SEG	\$4,204,000 SEG

Urban Mass Transit Operating Assistance Formula Change

The budget changed the formula for distributing urban mass transit operating assistance that would base the formula distribution on projected operating expenses of an urban mass transit system. This represents a return to the previous method of formula distribution.

1999 Wisconsin Act 9 made substantial changes to the method in which State aids are distributed under the State Urban Mass Transit Operating Assistance Program. The Act requires that aid distribution be based on expenses incurred during the second calendar year preceding the calendar year for which aid is paid.

The intended purpose of this distribution methodology was to increase the level of predictability and stability of funding for the State's mass transit systems. However, it has not accomplished either objective and funding has been less predictable and stable than under the previous method. Therefore, a return to the previous distribution method would be beneficial to urban mass transit providers and the Department.

Rail Assistance

Railroad Crossing Protection Funding

The budget allocated increases of \$500,000 SEG in FY02 and \$1,000,000 in FY03 for the improvement and installation of railroad crossing protection, bringing the biennial total to \$2.9 million. Of Wisconsin's 4,333 public highway/rail grade crossings, only about 40% have active warning devices. Significant increases

2001 Wis. Act 16: Rail Crossing Increase	
FY02	FY03
\$ 500,000 SEG	\$ 1,000,000 SEG

in rail traffic volumes, increased train speeds, increased highway traffic and vehicle miles traveled, and increased commercial and residential construction in rural areas have resulted in additional exposures at highway/rail grade crossings. These trends are expected to continue to increase. Public awareness of the increased conflicts and safety concerns at highway/rail grade crossings is growing and demand for the installation of additional warning devices is strong. The increased amount will allow improvements to be made to more crossings in a shorter amount of time.

Freight Rail Infrastructure Loans

The Department received a reduction of \$500,000 SEG and an increase of \$500,000 SEG-L in FY02 and a reduction of \$1,000,000 SEG and an increase of \$1,000,000 SEG-L in FY03 to maintain the Freight Railroad Infrastructure

2001 Wis. Act 16: Freight Rail Infrastructure Loan Increase	
FY02	FY03
\$ (500,000) SEG	\$ (1,000,000) SEG
\$ 500,000 SEG-L	\$ 1,000,000 SEG-L

Improvement Loan Program. This program offers low or no interest loans for railroads, shippers and local governments for a variety of capital improvement projects, including track rehabilitation, track consolidation, intermodal facilities and industrial spurs. The proceeds from repaid loans are available for reinvestment in the program as a revolving fund. A program level of \$11.1 million has been maintained for the past six years. The program funding level will remain constant by replacing state funds with repaid loans.

Passenger Rail Funding

The Department received a reduction of \$22,400 SEG and \$201,500 SEG-F in FY02 and an increase of \$386,800 SEG and a reduction of \$494,800 SEG-F in FY03 to reflect a new contract with

2001 Wis. Act 16: Passenger Rail Funding Increase/Decrease	
FY02	FY03
\$ (22,400) SEG	\$ 386,800 SEG
\$ (201,500) SEG-F	\$ (494,800) SEG-F

Amtrak and a change in the federal funding eligibility for the Hiawatha Rail Passenger Service between Milwaukee and Chicago.

The Department, in cooperation with Illinois DOT, is currently in the first year of a three-year contract with Amtrak to provide rail passenger service. The new contract was negotiated at a more favorable rate for Wisconsin, reducing the overall cost for the State to provide the service. However, additional SEG funds are needed in the FY03 because the service will not be eligible for as much federal funding in FY03. The Department is able to use 90% federal and 10% State funding in FY02 and 80% federal and 20% State funding in FY03.

Restrictions on Light Rail Transit Systems

A provision in the budget that extends the sunset date to June 30, 2002 prohibits the use of state or federal Interstate Cost Estimate (ICE) funds. It also prohibits construction of a light rail system in Milwaukee County unless a resolution is ratified by a referendum during the next general election.

Freight Rail Service Preservation Program

The Freight Rail Preservation Program helps continue freight rail service by assisting in the public acquisition and rehabilitation of rail lines and by acquiring abandoned railroad corridors that have the potential for future transportation or recreational uses. The budget allocated \$4.5 million in new bonding authority for these purposes, the same level provided in the past two biennia.

Joint Use - Trails on Active Rail Road Right-of-Way

The Department received statutory language changes to limit liability for railroad and governmental entities that construct trails on active railroad right-of-way.

FY02	FY03
\$ -0-	\$ -0-

Harbor Assistance

The Harbor Assistance Program provides financial assistance to harbor communities for dock surfacing and reinforcing, repairing or replacing mooring structures, and other improvements that maintain or improve waterborne commerce. The budget includes \$3 million in additional general obligation bonding and \$1.2 million in state funds to continue the program at the same funding level as the past two biennia. In addition, the budget amends the administrative rule for harbor assistance to include harbor facilities used by ferries or cruise ships.

Lift Bridge Aids

Lift Bridge Aids reimburse the Cities of Milwaukee, Racine, Green Bay, Manitowoc and Two Rivers for costs associated with the operation and maintenance of 10 lift bridges on connecting highways, which are local streets or highways within a community that provide connections to the State Trunk Highway System. Lift Bridge Aids are intended to reimburse local governments for 100% of the actual annual expenditures.

Funding for Lift Bridge Aids

The budget provides annual increases of \$77,500 SEG in FY02 and \$90,000 SEG in FY03 to provide total funding of \$1,502,500 in FY02 and \$1,515,000 in FY03 for the Lift Bridge Aids Program.

2001 Wis. Act 16: Lift Bridge Aid Increase	
FY02	FY03
\$ 77,500 SEG	\$ 90,000 SEG

Grants to Local Professional Football Stadium Districts

1999 Wisconsin Act 167 provided for the creation of a Professional Football Stadium District to govern and finance the renovation of Lambeau Field in Green Bay. The Lambeau Field stadium district has identified the need of \$9.1 million for transportation-related infrastructure costs related to the renovation of Lambeau Field.

Funding Grants to Local Professional Football Stadium Districts

The budget created a new SEG appropriation and supporting statutory language to provide grants to Local Professional Football Stadium Districts. It allocated funding of \$9,100,000 SEG in FY02 to provide a one-time grant in January 2002 for infrastructure costs related to the renovation of Lambeau Field.

2001 Wis. Act 16: Grants to Local Professional Football Stadium Districts	
FY02	FY03
\$ 9,100,000 SEG	\$ -0-

Transportation Employment and Mobility Program

The budget renames the Demand Management and Ride-Sharing Program to the Transportation Employment and Mobility Program and provides a new

initiative to provide funding for Kenosha County to secure federal congestion mitigation and air quality funds for a transit parking facility in the City of Kenosha. Release of the funding is contingent upon an equal amount of local monies being provided to meet the 20% match requirement.

2001 Wis. Act 16: Increase for Kenosha Transit Parking Facility	
FY02	FY03
\$ 420,700 SEG	\$ -0-

Transportation Economic Assistance (TEA) Program

The budget provides additional funding for the Transportation Economic Assistance and Development Grant Program to target economic development in rural areas of the State. The increases are \$125,000 SEG and SEG-L

annually to provide total funding of \$3,625,000 SEG and SEG-L in FY02 and FY03.

2001 Wis. Act 16: TEA Funding Increase	
FY02	FY03
\$ 125,000 SEG	\$ 125,000 SEG
\$ 125,000 SEG-L	\$ 125,000 SEG-L

Ad Valorem Property Tax Exemption for Hub Facility Air Carriers

The budget provides an ad valorem tax exemption for air carriers that operate a hub facility in the State effective January 1, 2001. Per the definition of a hub facility, two airlines, Air Wisconsin and Midwest Express, qualify for the exemption. Effects of the provision include:

- Decreases transportation fund revenues by \$2,500,000 each year, due to the exemption.
- Creates a new GPR appropriation for making a transfer to the transportation fund for aeronautics activities based on the total amount of the ad valorem tax that was paid by each exempt carrier in the most recent taxable year. Requires DOR to determine this amount by July 1, 2004 and every July 1 thereafter.
- Creates an Airport Financing Committee to study the financing of airport improvements in the State. The committee is required to report its findings and make recommendations to the Governor and Legislature by December 31, 2002.

Miscellaneous Provisions

Unified Disadvantaged Business Enterprise Certification Program

A provision in the budget establishes a unified disadvantaged business enterprise (DBE) certification program in compliance with federal DBE program requirements. It also defines a “certifying authority” as the Department of Transportation or any county, city, village or town authorized by the Department.

Expenditures: WisDOT Service Divisions

Division of Motor Vehicles

The Division of Motor Vehicles (DMV) administers the regulation of motor vehicle sales and the registration and licensing of vehicles and operators. DMV provides a high level of customer service at locations throughout the state. Increasing demand for services and unfunded legislative mandates remain significant challenges for the division. Act 16 includes the following initiatives for DMV:

DMV Recruit Class

The Department received \$599,100 SEG in FY02 and \$838,900 SEG in FY03 to fund an annual Motor Vehicle recruit class providing formal classroom training to new customer service staff. DMV staff serve over four million customers face-to-face each year, providing service on a number of complex driver licensing, vehicle registration, and vehicle titling programs. This initiative will ensure a pool of trained staff ready to fill expected division vacancies as the result of the 35 weeks of combined formal classroom and on-the-job training experiences.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$599,100 SEG	\$838,900 SEG

DMV Legacy IT System Redesign

The Department received \$1,660,900 SEG in FY02 and \$2,000,000 SEG in FY03 to fund replacement of the Motor Vehicle legacy Information Technology (IT) systems. This

provision includes \$660,900 of one-time funding in FY02 for IT system improvements necessary for DOT to comply with recent changes in motor vehicle regulations. The Department of Administration will release the FY03 funds upon review of a report co-authored by the Department and the Department of Electronic Government regarding database resources. The funding in FY03 provides resources for continued DMV system improvements and funds for a consultant study to evaluate the Department's current and future database needs.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$1,660,900 SEG	\$2,000,000 SEG

License Plate Program

The Department received authority to extend the license plate reissuance period from a five-year period to a seven-year period. The Department received

authority to reissue license plates for heavy trucks and trailers in FY03. The Department's spending authority is reduced by \$411,600 SEG in FY02 and \$101,100 SEG in FY03. Within the seven-year cycle, the Department will reissue all auto and auto-look license plates and some special group plates, as identified in 1999 Wisconsin Act 9.

2001 Wisconsin Act 16	
FY01-02	FY02-03
(\$411,600) SEG	(\$101,100) SEG

The Department received authority to make the special group plate issuance and reissuance fee a uniform \$15, thereby compensating the Department for the higher cost of production and issuance of special group plates. These changes will result in increased revenue of \$19,600 SEG in FY02 and \$561,000 SEG in FY03.

Oversize/Overweight Vehicle Permitting System

The Department received \$1,082,100 SEG in FY02 and \$1,153,700 SEG in FY03 to supplement available funding for development of an automated oversize/overweight (OS/OW)

permit routing system that will address backlogs and reduce the turn-around time required to produce vehicle routing permits for the motor carrier industry. Original project estimates did not include the cost of internal resources necessary to integrate and implement the required systems. The enacted budget provides for the funding shortfall to be shared through a mix of surcharge revenue and Transportation Fund resources. The Governor's partial veto message directs the Department to work with the motor carrier industry to ensure funding is adequate to fully implement the new system.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$1,082,100 SEG	\$1,153,700 SEG

Environmental Impact Fee

The enacted budget increases the environmental impact fee for motor vehicle titling from \$6 to \$9, effective October 1, 2001. The fee sunset is extended to December 31, 2003. The fee is transferred to the environmental fund within the Department of Natural Resources.

Veteran Motorcycle Plate

The Department received \$34,600 SEG in FY02 to fund implementation of a new special group license plate for veterans of the U.S. armed forces who apply for a special motorcycle plate. Applicants will be charged a \$15 issuance fee for the new plate.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$34,600 SEG	\$-0-

Revocation/Suspension of Juvenile Driver's License

The budget provides circuit and municipal courts with authority to suspend the vehicle operating privileges of a juvenile for failure to pay a fine or forfeiture imposed for an ordinance violation unrelated to the operation of a motor vehicle. No additional spending authority is provided.

OWI Provisions

The budget includes the following statutory changes to bring the state into compliance with federal regulations pertaining to repeat offenders of the operating a vehicle while intoxicated (OWI) law with two or more convictions in a five-year period starting on September 30, 2001.

1. Require each vehicle owned by a repeat offender to be immobilized or equipped with an ignition interlock device for at least one year.
2. Provide that a person convicted of a second or subsequent OWI offense must wait at least one year to apply for an occupational driver's license.
3. Require courts to order a minimum of 30 days of community service, if community service is ordered, instead of imprisonment.

In addition, revenue to the Transportation Fund will decrease by \$43,800 in FY02 and \$87,600 in FY03 due to the affect of occupational license delays.

Large Capacity Printing Services

The budget transfers 1.0 FTE and \$25,300 SEG annually from DMV to the Department of Administration to reflect the transition of some large capacity printing services from DOT to DOA.

2001 Wisconsin Act 16	
FY01-02	FY02-03
(\$25,300) SEG (1.0 FTE)	(\$25,300) SEG (1.0 FTE)

Theft of Leased or Rented Motor Vehicle

The budget provides statutory changes to specify that the theft of a leased or rented motor vehicle occurs after the lease or rental agreement has expired.

Inspection Maintenance Program

The Department received \$261,000 FED in FY02 and \$900,000 FED in FY03 from additional Congestion

Mitigation Air Quality (CMAQ) funding (above the annual federal base of \$2,854,800) to support the increased costs of the enhanced emission inspection maintenance program.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$261,000 FED	\$900,000 FED

Postage Increase

The Department received \$453,200 SEG in FY02 and \$364,200 SEG in FY03 to meet the postage rate increase, mail volume growth in DMV programs, and

additional costs of transferring large-scale printing and inserting functions to other agencies.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$453,200 SEG	\$364,200 SEG

Division of State Patrol

The Division of State Patrol (DSP) is responsible for enforcing Wisconsin's traffic and motor carrier laws, assisting motorists, and inspecting commercial motor vehicles for safety. The 2001-03 biennial budget (2001 Wisconsin Act 16) includes the following initiatives:

Matching Funds – MCSAP

The Department received \$916,100 SEG in FY02 and \$1,000,000 SEG in FY03 in base funding to meet state

match requirements for the federal Motor Carrier Safety Assistance Program (MCSAP) grant.

This funding will allow DSP to capture an estimated \$3,664,300 (FFY02) and \$4,000,000 (FFY03) in federal grant funds beginning in the 2001-03 biennium. MCSAP is a truck and highway safety program whose mission is to reduce the number and severity of crashes involving large vehicles; i.e., trucks and buses. This program will continue to benefit everyone in Wisconsin by ensuring that motor carriers operating on our roadways comply with safety standards.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$916,100 SEG	\$1,000,000 SEG

Digital Microwave Path Completion

The Department received \$116,900 SEG in FY02 and \$233,800 SEG in FY03 for the master lease purchase

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$116,900 SEG	\$233,800 SEG

of digital microwave equipment to complete the conversion of the existing analog microwave paths to digital microwave paths in the eastern half of the state. This initiative will complete the conversion of the existing microwave paths from analog to digital for the entire state to improve communication clarity and as a prerequisite for implementing new and emerging communication technologies.

Public Safety Radio Program

The Department received \$46,300 SEG in FY02 and \$46,300 SEG in FY03 to fully fund the revenue

transfer from the division's SEG appropriation that supports the budget authority in the Public Safety Radio Communication's program revenue appropriation. The Department of Natural Resources and State Patrol have agreed to share the cost of the PR appropriation on a 40%-60% basis, respectively, based on an analysis of fair share by radio counts.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$46,300 SEG	\$46,300 SEG

Ancillary Services

The Department received statutory authority to charge for security and traffic enforcement services provided by DSP at publicly sponsored special events that charge admission fees, and for security and traffic enforcement services along highways where utilities are being installed, such as fiber-optic cable. The Department received statutory authority in the 1999-01 biennial budget to charge privately sponsored special events that charged an admission fee for traffic enforcement and security services, and for escort services for oversize/overweight commercial vehicles.

Division of Business Management

The Division of Business Management (DBM) provides centralized services for the Department associated with accounting, procurement, risk management, facilities management, information technology, and human resource services, as well as managing the Department's fleet and printing service centers. The 2001-03 biennial budget (Act 16) includes the following initiatives in DBM:

Rent and Leasehold

The Department received \$186,200 SEG in FY02 and \$178,400 SEG in FY03 for rent and leasehold

improvements in the Bureau of Management Services. Leasing space is integrally tied to fluctuations in program workload, changing customer needs, technology, and the Department's own Capital Budget requests.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$186,200 SEG	\$178,400 SEG

Specialized Recruitment

The Department received \$42,000 SEG in FY02 and \$42,000 SEG in FY03 for an Incentive Grant

Program designed to develop a new applicant base for 23 job classifications that are currently underutilized. The IGP will be modeled after the Department's successful Minority Engineering Program.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$42,000 SEG	\$42,000 SEG

Funding for Municipal Services

The Department received \$34,700 SEG in FY02 and \$34,700 SEG in FY03 to provide increased funding for payments to municipalities for services that they provide to state agencies. The Department's request

for reserves of \$58,900 in FY02 and \$83,000 in FY03 were eliminated. However, the funding provided for in this initiative was additional budget authority within the Department's administrative appropriation.

2001 Wisconsin Act 16	
FY01-02	FY02-03
\$34,700 SEG	\$34,700 SEG

Department-wide Issues

Act 16 includes a number of provisions that affect overall Department revenues and operations.

General Fund Lapse

Act 16 requires the Secretary of the Department of Administration (DOA) to lapse \$18.8 million annually in FY02 and FY03 from SEG and PR operating appropriations in most executive branch agencies. Specific exemptions in DOT include federal, gift and grant, and debt retirement appropriations, DOT construction appropriations, and Division of State Patrol operations.

DOT's share of the annual lapse will be \$7.2 million annually. The DOA Secretary is required to submit a plan of proposed lapses to the Joint Committee on Finance in each year of the biennium.

Transportation Fund Lapses

Act 16 contains three provisions that will result in lapses to the Transportation Fund.

Settlement of Act 11: DOT is required to submit a plan to DOA that allocates reductions of \$3,530,800 in FY02 from the Department's SEG, SEG-S, PR, and PR-S appropriations to reflect credits received in these appropriations as a result of the implementation of 1999 Wisconsin Act 11.

Administrative Appropriation Reduction: DOT is required to submit a plan to DOA for lapsing \$800,000 annually from the Department's 2001-03 SEG appropriations for: departmental management and operations, highway administration and planning, the delivery cost portion of other highway appropriations, DMV, and DSP.

Membership Dues in Organizations: DOA is required to lapse an amount to the Transportation Fund based, in part, on the cost of membership dues for state and national organizations. DOA has broad discretion for determining which appropriations will be required to lapse funds to the Transportation Fund. DOT's lapse could total \$33,900 annually.

Vehicle and Driver Record Sales Fee

The Department received authority to increase by \$2 fees charged to authorized customers who seek access to certain vehicle and driver records. Authorized customers include other governmental agencies, certain employers, and insurance companies. Increased revenues to the Transportation Fund will be \$2,283,200 SEG in FY02 and \$4,600,200 SEG in FY03.

Terminal Tax Transfer

Under current law, a State-collected tax is levied on the Wisconsin portion of the value of railroad companies, in lieu of local property taxes. The Department of Revenue (DOR) establishes the taxable value of the company and the tax rate is the statewide average net rate of property taxation. The gross proceeds of this railroad "ad valorem" tax are deposited in the Transportation Fund. DOR is required to establish a value for certain specific types of railroad property, separately from its assessment of the value of the railroad company as a whole. The taxes associated with this separately valued property are returned to the municipalities in which the property is located. This "terminal tax distribution" is made from a sum-sufficient appropriation from the Transportation Fund. In combination, the contribution of railroad revenues to the Transportation Fund is the net difference between the "gross" railroad tax revenues collected and the terminal tax distribution.

This provision would add an additional class of property to the list of types of property for which DOR must establish a separate valuation and for which the taxes would be transferred to municipalities. The level of taxes paid by railroads would not change; however, payments under the terminal tax distribution would increase. This provision would increase transfers to municipalities by approximately \$100,000 in the 2001-03 biennium and \$200,000 in the 2003-05 biennium. After this increased transfer is made, net revenues available for appropriation from the Transportation Fund would be reduced compared to current law.